

PRE-APPEAL BRIEF REQUEST FOR REVIEWDocket Number (optional)
MAK-105US

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Date: May 21, 2009Signature Kathleen P. Carney
Typed/Printed Name Kathleen P. CarneyApplication Number
10/613,467Filed
July 3, 2003First Named Inventor
David MyrArt Unit
3696Examiner
Ojo O Oyebisi

Applicant requests review of the non-final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a Notice of Appeal.

The review is requested for the reasons stated on the attached sheets (3).

Note: No more than five (5) pages may be provided.

I am the

☐ applicant/inventor☐ assignee of record of the entire interest
See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed☒ Attorney or Agent of Record.
Registration Number 34,515☐ Attorney or Agent acting Under 37 CFR 1.34

Registration Number if acting under 37 CFR 1.34 _____

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Telephone NumberMay 21, 2009
DateNOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required.
Submit multiple forms if more than one signature is required, see below*.☒ *Total of 1 of forms are submitted

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REASONS REVIEW IS REQUESTED**Summary of Applicant's Arguments**

Regarding the rejection of claims 1, 3 and 6-16 under 35 U. S. C. § 103(a), the prior art references fail to disclose an optimization choice module that applies trading parameters and historical trading data including a price movement to a regression model to select only the trading parameters that generate respective buy/sell trading signals that correspond to the price movement. The Examiner asserts that this feature is cited by Freeny, Jr. Applicant respectfully disagrees. Applicant has reviewed Freeny, Jr. and can find no teaching of applying trading parameters and historical trading data to select only the trading parameters that generate buy/sell trading signals corresponding to a price movement, as required by claims 1 and 8. Instead, Freeny, Jr. teaches using trading criteria to generate a trade request to buy or sell an investment item. Applicant's arguments are more fully explained below.

Rejections Under 35 U.S.C. § 103

Claims 1, 3 and 6-16 have been rejected under 35 U. S. C. § 103(a) as being unpatentable over Kane (US 6,317,728) in view of Freeny, Jr. (US 6,594,643). This ground for rejection is respectfully traversed for the reasons set forth below.

Claim 1 includes features which are neither disclosed nor suggested by the cited art, namely:

...an optimization choice module for generating optimized trading parameters, for each of the trading strategies, by applying a) the number of respective trading parameters and b) historical trading data including a price movement over time of the respective securities in the trading strategy to a regression model to select only the trading parameters that generate respective buy/sell trading signals over time that correspond to the price movement of the respective securities, the selected trading parameters forming the optimized trading parameters.... (*emphasis added*)

Claim 8 includes a similar recitation.

Kane discloses, in Fig. 1, a securities and commodities trading system that includes decision logic 14 composed of a plurality of agents 16. Agents 16 represent different buy and sell rules and the plurality of agents 16 collectively issue buy/sell suggestions for securities transactions. A buy long or a sell short decision is made by a voting algorithm that takes a vote

of all decisions of all of agents 16. (Col. 5, lines 8 - 11 and lines 35 - 55). Each agent is assigned a different weight according to its success rate/failure rate and votes according to its assigned weight. (Col. 5, line 58 - Col. 6, line 4 and Col. 8, lines 35 - 49). Accordingly, Kane generates a decision using all of the agents 16.

As acknowledged by the Examiner on pages 3 and 4 of the Office Action, Kane does not disclose or suggest (1) a trading strategy building module for building a number of independent strategies and generating independent respective buy/sell trading signals, (2) a multi-channel automatic execution platform for transferring respective self-optimized buy/sell trading signals for each of the trading strategies simultaneously through a number of parallel programming connection channels or (3) an optimization choice module that applies trading parameters and historical trading data including a price movement to a regression model to select only the trading parameters that generate respective buy/sell trading signals that correspond to the price movement, as required by claim 1. Thus, Kane does not include all of the features of claims 1 or 8.

Freeny, Jr. discloses, in Fig. 1, an automated investment trading system 10 including individual trading computer 16 that receives investment data from data sources 20 and predetermined trading criteria from input unit 14. (Col. 2, lines 47 - Col. 3, line 22). Trading computer 16 automatically analyzes the investment data from data source 20 using the predetermined trading criteria from input unit 14 and generates a trade request signal (Col. 3, lines 50 - 57). The trade request signal is provided to individual selected market trader 28 which executes at least a portion of the trade indicated in the trade request signal (Col. 3, lines 59 - 63 and Col. 4, lines 12 - 19). Freeny, Jr. describes the predetermined trading criteria as including "instructions, such as buy and sell orders, or algorithms capable of being used to analyze investment data to generate a trade request to buy and/or sell" an investment item (Col. 3, lines 23 - 26) (emphasis added). Freeny, Jr. also discloses that the market trader 28 may provide trading computer 16 with a trade confirmation signal. The trade confirmation signal may be used to modify the predetermined trading criteria in a predetermined manner by trading computer 16, based on the executed trade (Col. 4, lines 36 - 55).

Freeny, Jr. does not disclose or suggest Applicant's claimed features of an optimization choice module that applies trading parameters and historical trading data to a regression model to select only the trading parameters that generate respective buy/sell trading

signals over time that correspond to a price movement of securities, as required by claims 1 and 8 (emphasis added). These features are neither disclosed nor suggested by Freeny, Jr.

On pages 4 and 10 of the Office Action, the Examiner asserts that column 2, line 60 - column 3, line 50 of Freeny, Jr. teaches an optimization choice module equivalent to Applicant's claimed optimization choice module. Applicant respectfully disagrees. Column 2, line 60 - column 3, line 50 of Freeny, Jr. does not teach an optimization module that selects only the trading parameters that generate buy/sell signals that correspond to the price movement, as required by claims 1 and 8. Instead, Freeny, Jr. describes using trading criteria to generate a trade request for a buy or sell. Applicant also notes that the Advisory Action mailed August 23, 2007, previously asserted that column 3, lines 23-41 of Freeny, Jr. discloses an optimization choice module that prevents a trading parameter from being included in optimized trading parameters. However, this rejection was withdrawn in response to Applicant's Pre-Appeal Brief Request for Review of October 4, 2007. Thus, Freeny, Jr. does not make up for the deficiencies of Kane with respect to claims 1 and 8. Accordingly, allowance of claims 1 and 8 is respectfully requested.

Claims 3, 6, 7 and 9-16 include all of the features of respective claims 1 and 8 from which they depend. Accordingly, claims 3, 6, 7 and 9-16 are also patentable over the cited art.

In view of the arguments set forth above, the above-identified application is in condition for allowance which action is respectfully requested.